(c) whether banks are shying away from landing to small and medium enterprises only because of lack of credit information; and

(d) how banks would increase the flow of credit to small and medium enterprises, if credit rating companies report that small and medium enterprises do not have a good track record of credit (an opinion similar to that which the banks presently have)?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The amount of loans given by the Public Sector Banks to Small Scale Industries in the state of Andhra Pradesh in the years 2004 and 2005 is Rs. 3734 crores and Rs. 4345 crores respectively.

(b) Banks have the discretion of deciding the rate of interest on loans to Small and Medium Enterprises (SMEs) depending upon the financial strength, market strength, credit rating and clear track record etc. of the enterprise.

(c) and (d) It is not correct to say that banks are shying away from lending to SMEs. The SME credit has gone up from Rs. 116609.53 crores as on March, 2005 to Rs. 138212.13 crores as on December, 2005 showing an increase of 18.53%. Besides this, a "Policy Package on Stepping up credit to SME sector" has been announced in the Parliament on August 10, 2005 which *inter alia* includes fixing self targets for funding SMEs to achieve a **mimimum** 20% year on year growth in credit to SMEs. Reserve Bank of India has issued instructions in this regard advising all banks to implement the policy measures.

Disinvestment of Central Inland Waterways Corporation

3256. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to disinvest Central Inland Waterways Corporation;

(b) if so, the details of the proposal; and

(c) the present stage of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. PALANIMANICKAM): (a) and (b) The revival proposal of Central Inland Water Transport Corporation Ltd. (CIWTC) was considered by

the Board for Restructuring of Public Sector Enterprises (BRPSE) and based on the recommendations of the BRPSE, the Government decided that disinvestment of CIWTC (minus the Rajabagan Dockyard) may be taken up after the implementation of:—

(i) Handing over of Rajabagan Dockyard (RBD) alongwith existing manpower, assets and liablities to Garden Reach Ship Builders & Engineers (GRSE) or to any other PSE on outright purchase/ long term lease/management contract basis.

(ii) Write-off of interest and conversicn of outstanding principal amount into equity.

(iii) Introduction of VRS.

(c) Action on implementation of (i) to (iii) above has been initiated by the Department of Shipping.

Review of Full Capital Account convertibility

†3257. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have asked Reserve Bank of India to give their advice and recommendations after reviewing the situation keeping in view the full convertibility of capital account;

(b) whether it is also a fact that Tarpore Committee in 1997 had recommended the convertibility of whole capital account which could not be implemented;

(c) whether it is a fact that the Reserve Bank of India has again appointed a committee of six members under the chairmanship of Shri S.S. Tarpore for the same purpose; and

(d) if so, the details thereof and the basic objectives of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. The Reserve Bank of India (RBI), in consultation with the Government of India, have appointed a committee for setting out a road map for fuller capital account convertibility.

(b) The Tarapore Committee set up in 1997 had recommended a sequenced move towards capital account convertibility subject to

† Original notice of the question was received in Hindi.